

**UNITED STATES DISTRICT COURT
DISTRICT OF MAINE**

BBC WORLDWIDE LIMITED,)	
)	
Appellant,)	
)	
v.)	Civil No. 06-90-P-S
)	
BEE LOAD LIMITED,)	
)	
Appellee.)	

**MEMORANDUM OF DECISION AFFIRMING THE
DECISION OF THE BANKRUPTCY COURT**

SINGAL, Chief District Judge

Before the Court is Plaintiff BBC Worldwide Limited's ("BBC") Appeal (Docket # 4) from the Bankruptcy Court's Order of March 16, 2006 (Docket # 7, Ex. 2), which denied Appellant's emergency motion to dismiss the proceeding or, in the alternative, grant relief from the automatic stay. The Court DENIES Appellant's appeal and AFFIRMS the decision of the Bankruptcy Court.

When a party chooses to appeal a bankruptcy court decision to the district court pursuant to 28 U.S.C. § 158(a), the district court reviews the bankruptcy court's conclusions of law *de novo* and any factual findings under the more deferential clearly erroneous standard. See, e.g., Davis v. Cox, 356 F. 3d 76, 82 (1st Cir. 2004); Groman v. Watman (In re Watman), 301 F.3d 3, 7 (1st Cir. 2002). Appellant argues that the Bankruptcy Court committed an abuse of discretion in denying Appellant's motion for relief from the stay, and additionally committed errors reversible as a matter of law. Thus, the Court has reviewed the Bankruptcy Court's factual findings for clear error, and has engaged in a *de novo* review of the Bankruptcy Court's legal conclusions. The Court has given full consideration to both the written submissions of the

parties on appeal, as well as the entire record that served as the basis for the Bankruptcy Court's ruling.

After careful review of the Bankruptcy Court record, and the filings by both parties, the Court concludes that the Bankruptcy Court's ruling was correct. As the Bankruptcy Court noted, the United States Bankruptcy Code contemplates that a debtor may "negotiate a workout up to the date of foreclosure, and when it becomes futile," file for bankruptcy. (Docket # 7, Ex. 2 at 10.) This type of filing does not demonstrate bad faith. The Bankruptcy Court's factual finding that the Appellee's case was not objectively futile, nor subjectively filed in bad faith, is supported by the record. (Id. at 9-11.) This finding was not clearly erroneous, nor did it represent an abuse of discretion.

The Court has also considered the legal standards governing the automatic stay and the forum selection clause *de novo*, and reaches the same conclusions as the Bankruptcy Court. Quite simply, the Bankruptcy Court applied the correct legal standards in its consideration of the automatic stay, and neither the legal standards governing the automatic stay nor the forum selection clause at issue require that the automatic stay mandated by the Code be lifted.

Appellant's Appeal is therefore DENIED and the Order of the Bankruptcy Court is AFFIRMED.

SO ORDERED.

/s/ George Z. Singal
Chief U.S. District Judge

Dated this 4th day of August, 2006.